

County Council to vote on newest funding plan for White Flint

Council still uncertain over taxes and fees to be included

by Alex Ruoff | Staff Writer | November 17, 2010

County Council members are expected to vote on a funding plan for the White Flint development district in the next two weeks, a decision that could have lasting implications for growth in Montgomery County.

After two meetings of the Planning, Housing, and Economic Development and the Management and Fiscal Policy committees — which included six of the nine council members — the county council is scheduled to discuss and possibly vote on a proposal for a special taxing district that, along with advanced financing from the county, is needed to build \$1.1 billion in roads, sidewalks, and other public amenities.

White Flint, through the planning process, has been designated for massive development over the next 40 years that is estimated to bring 5.49 million square-feet of commercial growth and 9,800 new residences to North Bethesda. Taxes from this growth are expected to generate \$6.8 billion.

At Tuesday's joint committee hearing, County Councilwoman Valerie Ervin (D-Dist. 5) of Silver Spring said the details of the White Flint Plan will be used as a model for development.

"I'm very concerned what kind of precedent we are setting," she said.

In October, County Executive Isiah Leggett (D) proposed imposing an additional 10 percent property tax on property within certain areas surrounding the White Flint Metro station to pay for the amenities.

This plan was criticized by the White Flint Partnership — a collection of the largest commercial property owners in that area — for over-taxing developers. The partnership said this overcharge will come from impact taxes — charges levied against new construction — included in the proposal.

Jacob Sesker, a planner coordinator with the county's planning department, disputes this statement, and said that the impact taxes are not significant enough to stifle development — a major crux of the partnership's argument against them.

"It may be two taxes, but it doesn't come down to double the taxes," he said.

Councilman Roger Berliner (D-Dist. 1) of Potomac also opposed the plan, saying it leaves a "gap" of more than \$100 million where infrastructure projects will need funding

before taxes can be collected. In a Nov. 5 letter, he said that the county executive is "not making a real commitment" to the White Flint plan.

At Tuesday's meeting, Leggett's office issued a new proposal, asking for an elimination of the impact taxes and a plan to close the gap through advanced funding, where the county issues bonds which are paid back by future tax revenue or development fees.

The plan also changes the proposed projects, delays construction of roads designed to handle traffic while Rockville Pike is renovated and decreases the county's overall contribution to the plan from \$414 million to \$376 million.

This includes eliminating the \$130.5 million bus depot, which is still expected to be funded by the county, just not directly through White Flint funds.

Delaying the Rockville Pike work or any other infrastructure is a concern for some commercial property owners and developers.

In an interview on Oct. 28, Evan Goldman, director of development for Federal Realty Investment Trust, one of the partnership's members, said laying out the roadwork designed in the plan is essential for its success.

During Tuesday's meeting, Berliner said he supports the executive's new plan and withdrew his previous suggestion for an entirely new plan, designed around Tax Increment Financing — a special tax in an area that grows over time.

The council has scheduled a meeting on the White Flint financing plan for Tuesday. Councilman Michael J. Knapp (D-Dist. 2) of Germantown said they could vote to approve the plan as is or make changes to be voted on the following week.